

**CONFIDENTIAL**  
**LEGISLATIVE BILL REVIEW FORM: 2015**

Bill Number: H.20

Name of Bill: [An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid](#)

Agency/ Dept: Department of Vermont Health Access Author of Bill Review: Lindsay Parker

Date of Bill Review: 2/3/15 Related Bills and Key Players: H.69 (2013); H.617 (2012); VDH/ADAP

Status of Bill: (check one): ☒ Upon Introduction ☐ As passed by 1<sup>st</sup> body ☐ As passed by both

**Recommended Position:**

☐ Support ☐ Oppose ☐ Remain Neutral ☒ Support with modifications identified in #8 below

**Analysis of Bill**

**1. Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*

This bill would require ("shall") that the Department of Vermont Health Access (DVHA) grant authorization to all interested licensed alcohol and drug abuse counselors (LADCs) to participate in Medicaid as a provider delivering clinical and case coordination services to Medicaid beneficiaries. This is regardless of whether the LADC is a preferred provider; LADCs who are in private practice would be allowed to participate in Medicaid. This change would be effective October 1, 2015.

Issues addressed are:

- Expanded substance abuse provider network and improved access to alcohol and drug abuse services for Medicaid beneficiaries.

**2. Is there a need for this bill?** *Please explain why or why not.*

Yes. There is a shortage of clinicians available to treat Medicaid beneficiaries with substance use disorders. This bill would allow more qualified providers to treat Medicaid beneficiaries and bill for substance abuse clinical services. Currently, Medicaid recipients have access to mental health care provided by private practitioners, such as Licensed Independent Clinical Social Workers (LICSWs) and Licensed Clinical Mental Health Counselors (LCMHCs). This bill would require that Medicaid beneficiaries have access to substance abuse treatment services from any private practitioner, including LADCs.

Legislative action is not required to open the Medicaid network to LADCs; however, if DVHA does open the network there would be new expenditures which would require additional state funds to reimburse for the services provided by LADCs.

**3. What are likely to be the fiscal and programmatic implications of this bill for this Department?**

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### **Fiscal impact to DVHA**

Estimated annual gross impact of new funds to DVHA: \$159,549

- Assumes payment only for direct clinical services and billable service codes. This does not include any incentive payments.

Estimated annual impact to DHVA assuming an effective date of 10/1/15:

- SFY 2016 (Months impacted: 9)
  - State share: \$54,287
  - Federal share: \$65,375

DVHA assumes that most Medicaid beneficiaries served by LADCs will represent a cost shift from licensed mental health professionals. Also, DVHA assumes that there will be only a slight increase in the number of LADCs practicing independently. New state and federal funds will be needed to cover the additional expenditures of new patients seen by the LADCs, without dual licenses, in private practice entering the system.

The estimate of new funds is based on data from DVHA's Performance Improvement Project (PIP) aimed at improving the initiation and engagement rates in drug and alcohol treatment. The PIP runs from July 2014 to July 2015. Data from the first 7 months of the PIP indicates beneficiaries initiated treatment 54 times and services were provided by 11 of the 25 therapists enrolled in the project. Of the 11 therapists, only 1 was a LADC without any other license. Based on utilization in the PIP, the following data and assumptions were used to estimate **new funds** needed to open the network to all LADCs:

- The PIP is implemented in three counties (Rutland, Addison, and Bennington) representing a total of 41,347 Medicaid beneficiaries in these counties or an estimated 23.19% (41,357/178,289) of total adult Medicaid beneficiaries statewide.
- In the seven months of the PIP, the total claims paid were \$21,583.04.
- Assuming that \$21,583.04 was total paid claims for 23.19% of the total adult Medicaid population, then \$93,070.39 would be the total paid claims for 100% of the total Medicaid population in seven months.
- Over 12 months, the total paid claims for all Medicaid adults in Vermont would be \$159,549.
- It is important to note that this fiscal estimate assumes payment only for the billable service codes; it does not include the incentive payment included in the PIP.

### **Programmatic impact to DVHA**

The fiscal impact assumes federal financial participation. DVHA would need approval from the Centers for Medicare and Medicaid Services (CMS) of an amendment to the Vermont's Medicaid State Plan in order to add LADCs as authorized other licensed practitioners. CMS approval of this amendment would secure federal funds to pay for a share of this new practitioner category.

There are implementation considerations for DVHA, including enrolling new providers, and defining billing requirements.

#### **4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**

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The Vermont Department of Health (VDH), Alcohol and Drug Abuse Program (ADAP) is in favor of this bill because it would expand the provider network, improving access to alcohol and drug abuse services for Medicaid beneficiaries. The VDH/ADAP should not incur any direct costs related to this legislation, but may experience a need for increased staff time and administrative costs if more counselors, including LADCs, seek certification that is managed by ADAP. However, these counselors pay a fee for certification, which would contribute to the additional administrative costs incurred by the VDH/ADAP.

**5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc)*

Concept is overall favorable.

**6. Other Stakeholders:**

**6.1 Who else is likely to support the proposal and why?**

LADCs who are not dually licensed as mental health practitioners and/or are practicing independently would support this bill as it provides them with the ability to bill Medicaid.

**6.2 Who else is likely to oppose the proposal and why?**

None known at this time.

**7. Rationale for recommendation:** *Justify recommendation stated above.*

DVHA supports this bill with modifications outlined below and with the expectation that additional state funds are needed. It is important that the legislature understands that allowing LADCs, who are not already affiliated with a designated agency or preferred substance abuse provider, to bill as Medicaid providers would require a new state appropriation and matched federal funding.

**8. Specific modifications that would be needed to recommend support of this bill:** *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

An appropriation would be needed to cover the additional expenditures of new patients seen by the LADCs, without dual licenses, in private practice entering the system.

DVHA recommends amending the bill language to specify the scope of services LADCs are authorized to provide to Medicaid beneficiaries. See the below bill language and recommended modification:

Sec. 1. 26 V.S.A. § 3242 is added to read:

§ 3242. MEDICAID PARTICIPATING PROVIDERS

The Department of Vermont Health Access shall grant authorization to a

licensed alcohol and drug abuse counselor to participate as a Medicaid

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provider to deliver clinical and case coordination services to Medicaid

beneficiaries, as is consistent with federal law, within their scope of practice and regardless of whether  
the counselor is a preferred provider in Vermont.

Sec. 2. EFFECTIVE DATE

This act shall take effect on October 1, 2015.

9. Gubernatorial appointments to board or commission?

Secretary/Commissioner has reviewed this document:  Date: 2/5/15